

## Introduced by Senator Runner

February 18, 2005

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An act to amend Section 143 of the Streets and Highways Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 561, as introduced, Runner. Toll roads.

Existing law, until January 1, 2003, authorized the Department of Transportation to solicit proposals and enter into agreements with private entities or consortia for the construction and lease of no more than 2 toll road projects, and specified the terms and requirements applicable to those projects. Existing law provides for operation of the toll road project by a private entity for up to 35 years, at which point the facility reverts to state ownership and control and becomes toll-free.

This bill would delete the January 1, 2003, deadline for the department to enter into agreements for privately financed toll road projects, and would also delete the limit on the number of authorized projects.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 143 of the Streets and Highways Code  
2 is amended to read:  
3 143. (a) The department may solicit proposals and enter into  
4 agreements with private entities, or consortia thereof, for the  
5 construction by, and lease to, private entities of ~~two public~~  
6 ~~transportation demonstration toll road~~ projects. ~~The department~~

1 ~~shall not enter into an agreement for any new proposals under~~  
2 ~~this authority after January 1, 2003.~~

3 (b) For the purpose of facilitating those projects, the  
4 agreements may include provisions for the lease of rights-of-way  
5 in, and airspace over or under, state highways, for the granting of  
6 necessary easements, and for the issuance of permits or other  
7 authorizations to enable the private entity to construct  
8 transportation facilities supplemental to existing state-owned  
9 transportation facilities. Facilities constructed by a private entity  
10 pursuant to this section shall, at all times, be owned by the state.  
11 The agreement shall provide for the lease of those facilities to the  
12 private entity for up to 35 years. In consideration therefor, the  
13 agreement shall provide for complete reversion of the privately  
14 constructed facility to the state at the expiration of the lease at no  
15 charge to the state.

16 (c) The department may exercise any power possessed by it  
17 with respect to the development and construction of state  
18 transportation projects to facilitate the development and  
19 construction of transportation projects pursuant to this section.  
20 Agreements for maintenance and police services entered into  
21 pursuant to this section shall provide for full reimbursement for  
22 services rendered by the department or other state agencies. The  
23 department may provide services for which it is reimbursed with  
24 respect to preliminary planning, environmental certification, and  
25 preliminary design of the demonstration projects.

26 (d) (1) Agreements entered into pursuant to this section shall  
27 authorize the private entity to impose tolls for use of a facility  
28 constructed by it, and shall require that over the term of the lease  
29 the toll revenues be applied to payment of the private entity's  
30 capital outlay costs for the project, the costs associated with  
31 operations, toll collection, administration of the facility,  
32 reimbursement to the state for the costs of maintenance and  
33 police services, and a reasonable return on investment to the  
34 private entity. The agreement shall require that any excess toll  
35 revenue either be applied to any indebtedness incurred by the  
36 private entity with respect to the project or be paid into the State  
37 Highway Account, or both.

38 (2) The authority to collect tolls for the use of these facilities  
39 shall terminate at the expiration of the franchise agreement.

1 (e) The plans and specifications for each project constructed  
2 pursuant to this section shall comply with the department's  
3 standards for state transportation projects. A facility constructed  
4 by and leased to a private entity shall, during the term of the  
5 lease, be deemed to be a part of the state highway system for  
6 purposes of identification, maintenance, enforcement of traffic  
7 laws, and for the purposes of Division 3.6 (commencing with  
8 Section 810) of Title 1 of the Government Code.

9 (f) The assignment authorized by subdivision (c) of Section  
10 130240 of the Public Utilities Code is consistent with this  
11 section.

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